United Nations A/52/823

General Assembly

Distr.: General
9 March 1998

Original: English

Fifty-second session
Agenda item 114
Review of the efficiency of the administrative and financial functioning of the United Nations

Gratis personnel provided by Governments and other entities

Report of the Secretary-General

1. This report is submitted pursuant to General Assembly resolution 51/243 of 15 September 1997, in which the Assembly requested the Secretary-General to report on the methodology to be applied to, and the level of, administrative support costs regarding gratis personnel provided by Governments and other entities.

2. The legislative basis and methodology used for the application of administrative support costs, currently charged at the rate of 13 per cent, in connection with the acceptance of voluntary contributions, including gratis personnel, was explained in detail in the previous report on gratis personnel provided by Governments and other entities (A/51/688 and Corr.1 and Add.1-3).

3. The services of gratis personnel provided by Governments and other entities were treated as voluntary contributions, the acceptance of which is subject to financial regulation 7.2, which states:

> "Voluntary contributions, whether or not in cash, may be accepted by the Secretary-General provided that the purposes for which the contributions are made are consistent with the policies, aims and activities of the Organization, and provided that the acceptance of such contributions which directly or indirectly involve additional financial liability for the Organization shall require the consent of the appropriate authority."

4. As pointed out in the earlier report, the acceptance of a voluntary contribution almost always involves additional financial liability for the Organization in terms of associated costs. In the case of gratis personnel, those associated costs include secretarial and administrative backstopping, equipment, supplies, office space, utilities, communications, medical services, participation in language and training programmes, etc. As indicated in the previous report, those costs in the Department of Peacekeeping Operations represented approximately 18 per cent of the cost of gratis personnel.

5. The charge of administrative support costs to donors is therefore required so as to avoid additional financial liability for the Organization. In the absence of such a charge, support costs for gratis personnel would necessarily be assumed by assessed budgets.

6. The Advisory Committee on Administrative and Budgetary Questions, in its report (A/51/813), was of the view that budgets must be prepared on a full-cost basis, with a full identification of the staffing needs, however funded, and that the use of type II gratis personnel, which represented a departure from normal personnel practice and the safeguards inherent therein, should be on an exceptional and temporary basis only.

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7. With the adoption of resolution 51/243, the General Assembly has defined the circumstances under which the Secretary-General can accept gratis personnel, namely:

(a) After the approval of a budget, to provide expertise not available within the Organization for very specialized functions, as identified by the Secretary-General, and for a limited and specified period of time;

(b) To provide temporary and urgent assistance in the case of new and/or expanded mandates of the Organization, pending a decision by the General Assembly on the level of resources required to implement those mandates;

Pursuant to the same resolution, the Secretary-General is required to prepare all budgets on a full-cost basis, identifying a full complement of staffing requirements.

8. Such budgets may include a limited number of posts requiring expertise for very specialized functions for which gratis personnel may be needed, consistent with the conditions set in resolution 51/243. Under these circumstances, gratis personnel may be accepted and would be placed against approved funded positions. In such cases, they would not be considered supplementary to, but would be part of, the staffing establishment. The question of support costs to be charged to Governments contributing such personnel would not, therefore, arise.

9. With regard to the acceptance of gratis personnel to provide temporary and urgent assistance in the case of new and/or expanded mandates of the Organization, pending a decision by the General Assembly on the level of resources required to implement those mandates, it is anticipated that, if such cases were to arise, such personnel would be required for a very short duration and would be performing functions for which the approval of posts by the Assembly was pending and would be forthcoming shortly. Under these strictly limited circumstances the charging of support costs would not seem appropriate.